

IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF GEORGIA
ALBANY DIVISION

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UNITED STATES OF AMERICA)
)
 Plaintiff,)
)
 v.)
 CECIL A. COLLIER)
)
 Defendant.)

U.S. DISTRICT COURT
MIDDLE DIST. OF GEORGIA
ALBANY, GEORGIA

Civil No. 1:11-cv-00032-WLS

**JUDGMENT AND PERMANENT INJUNCTION ORDER
AGAINST CECIL A. COLLIER**

Before the Court is the United States' Motion for Entry of Default Judgment and Permanent Injunction against defendant Cecil A. Collier. Collier has failed to plead or otherwise defend this action. The Clerk of Court accordingly entered default against Collier on June 15, 2011. As a result of his default, the Court deems Collier to have admitted the well-pleaded allegations in the United States' Complaint and, based upon those deemed admissions, makes the following findings of fact and conclusions of law:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has jurisdiction over the parties and subject matter of this case.
2. Beginning with the 2006 or 2007 tax year, Collier has prepared tax returns under the trade name "Cairo Fast Tax."
3. Collier has repeatedly and regularly prepared returns that utilize at least one of two schemes to generate erroneously large refunds for his clients. The schemes generate false or overstated claims to the credit under 26 U.S.C. § 32, i.e. the Earned Income Tax Credit ("EITC"), and generate correspondingly excessive refunds. One scheme is to falsely claim dependant or qualifying children, which increases the maximum EITC

which can be claimed. The other scheme is to prepare returns which falsely overstate his client's earned income, which creates a larger EITC than the individual is entitled to under the Internal Revenue Code.

4. Collier's actions cause harm to the United States and to the public by unlawfully and falsely claiming tax credits. Of the 3,543 returns prepared by Collier or at his direction since 2006, over 99% claimed refunds and at least 87% claimed an EITC. As of December 23, 2010, 287 of Cairo Fast Tax's returns had been audited for EITC issues. 98% of those audits resulted in adjustments of \$1,192,425, averaging \$4,155 of falsified refund per return. Collier's tax preparation may have caused government losses exceeding \$12 million.

5. Collier has regularly engaged in conduct subject to penalty under § 6694(a).

6. Collier has failed to comply with the due diligence requirements imposed by 26 U.S.C. § 6695(g) and Treas. Reg. § 1.6695-2(b)(3) for determining eligibility for, or the amount of, the EITC.

7. Collier has engaged in conduct that substantially interferes with the enforcement of the internal revenue laws.

8. Collier has engaged in conduct that causes irreparable harm to the United States and his customers.

9. Collier has continually and repeatedly engaged in the conduct described above.

10. Collier has continually and repeatedly engaged in conduct subject to penalty under I.R.C. §§ 6694 and 6695, which is conduct described in § 7407(b)(1)(A), and continually and repeatedly engaged in other fraudulent or deceptive conduct substantially interfering with the administration of the tax laws.

11. Collier should be enjoined from acting as a tax return preparer under I.R.C. § 7407. A narrower injunction prohibiting only specific misconduct would be insufficient.
12. Collier has engaged in conduct that interferes with the enforcement of the internal revenue laws. The United States and the public will suffer irreparable harm in the absence of a permanent injunction.
13. Collier will continue to violate the Internal Revenue Code unless he is enjoined from preparing income tax returns for others.
14. In addition to the injunctive relief available under 26 U.S.C. § 7407, the Court is authorized to issue orders of injunction as may be necessary or appropriate for the enforcement of the internal revenue laws under 26 U.S.C. § 7402.

ORDER

IT IS HEREBY ORDERED that defendant Cecil A. Collier is permanently enjoined as follows:

A. Pursuant to 26 U.S.C. §§ 7402 and 7407, Collier and his representatives, agents, servants, employees, attorneys, independent contractors, and anyone in active concert or participation with him are permanently enjoined from directly or indirectly acting as a federal tax return preparer or otherwise directly or indirectly preparing or filing federal tax returns or other tax forms for others, from representing others before the IRS, and from advising anyone concerning federal tax matters;

B. Pursuant to 26 U.S.C. §§ 7402 and 7407, Collier and his representatives, agents, servants, employees, attorneys, independent contractors, and anyone in active concert or participation with him are enjoined from directly or indirectly engaging in activity subject to penalty under 26 U.S.C. §§ 6694 or 6695, including preparing any part

of a return or claim for refund that he knows will result in the understatement of any tax liability or the overstatement of federal tax refunds;

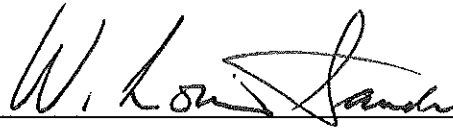
C. Pursuant to 26 U.S.C. §§ 7402 and 7407, Collier and his representatives, agents, servants, employees, attorneys, independent contractors, and anyone in active concert or participation with him are enjoined from directly or indirectly engaging in any other activity subject to penalty under 26 U.S.C. §§ 6694 or 6695, and engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws;

D. Pursuant to 26 U.S.C. § 7402, Collier shall, at his own expense, present a copy of this Judgment and Permanent Injunction Order to each person for whom he, or anyone at his direction or employ, prepared federal income tax returns from January 1, 2007, to the present, by either sending a copy to each person by US mail or email;

E. Pursuant to 26 U.S.C. § 7402, Collier shall produce to counsel for the United States within 45 days of this Judgment and Permanent Injunction Order (1) a sworn statement evidencing his compliance with the foregoing directives; (2) a list that identifies by name, social security number, address, e-mail address, and telephone number and tax period(s) all persons for whom he has prepared federal tax returns or claims for refund since January 1, 2007; and (3) copies of all returns or claims for refund that he prepared, or directed the preparation of, for customers after January 1, 2007; and

F. Pursuant to 26 U.S.C. § 7402, the United States may monitor Collier's compliance with this injunction, and may engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure. The Court shall retain jurisdiction over this matter to implement and enforce this Order and any additional orders necessary and appropriate to the public interest.

Dated this 12th day of July, 2011.

A handwritten signature in black ink, appearing to read "W. Louis Sands", written over a horizontal line.

W. LOUIS SANDS
United States District Judge